




# MEMORANDUM

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**DATE:** May 3, 2010

**TO:** Mike Letcher  
City Manager

**FROM:** Marie Nemerguth   
Budget and Internal Audit  
Program Director

**SUBJECT:** Audit of Expenditures for Downtown Development Projects

At your request, Internal Audit has conducted an audit of expenditures for downtown development projects. This report is for March 2010, unless otherwise noted on the project list (attached).

Audit procedures included the following:

- Interviews with City staff monitoring project expenditures.
- Review of contract terms, purchase orders, and other related documents.
- Analysis of a sample of invoices and supporting documents to determine if expenditures are appropriate per the contract, and properly approved for payment and budget capacity.
- Analysis of amendments and construction change orders during the period audited to determine if they are appropriate per the contract, and properly approved for payment and budget capacity. There were two change orders (information attached) for February 2010.

Based on the results of the audit procedures, there were no concerns noted for the timeframe above. The audit results will be conveyed to the Independent Audit and Performance Commission (IAPC) at their May 5, 2010 meeting. Please contact me or Jane Prior, Internal Audit Manager, if you have any questions.

MN:JEP

c: Mayor and Council

**Audit of Expenditures for Downtown Development Projects  
March 2010**

**Downtown Development Projects**

Barrio San Augustin  
Barrio Viejo Improvements  
Central Energy Plant Repairs and Capacity Expansion  
City Public Parking Garage at Plaza Centro  
Civic Center: Convention Center East Entrance  
Civic Center: Convention Center Expansion  
Civic Center: Convention Center Hotel  
Civic Center: Parking Garage  
Cushing Street Bridge and Improvements  
Depot Plaza Parking Garage  
Depot Plaza Public Improvements  
Downtown Links – Barraza Aviation Phase 1  
(Also includes February 2010 expenditures.)  
Gadsden Development  
Mission San Augustin Garden  
Mission Site/Origins Park  
Martin Luther King, Jr. (MLK) Building  
Modern Streetcar

**Change Orders**

1. **Depot Plaza Public Improvements** - \$31,886 for temporary public plaza design in accordance with contract amendment 7. The original project was based on the assumption that a second tower would be constructed after the completion of the new Martin Luther King, Jr. tower. However, that is currently not the case and a temporary public plaza area is needed.

The estimated budget for the Depot Plaza public improvements is \$900,000. This change order is 3.54% of the estimated budget.

2. **Depot Plaza Parking Garage** - \$3,500 for additional structural design review of the concrete parking garage walls in accordance with contract amendment 7.

The estimated budget for the Depot Plaza parking garage is \$15,928,511. This change order is .022% of the estimated budget.